

# SENATE BILL REPORT

## SB 5280

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As Reported By Senate Committee On:  
Labor, Commerce & Trade, February 13, 1995  
Ways & Means, March 3, 1995

**Title:** An act relating to tax deferrals for a new thoroughbred race track facility.

**Brief Description:** Providing tax exemptions for a new thoroughbred race track facility.

**Sponsors:** Senators Smith, Roach, West, Bauer, Schow, Finkbeiner, Johnson, Hale, Kohl, Deccio, Drew and Rasmussen.

**Brief History:**

**Committee Activity:** Labor, Commerce & Trade: 1/31/95, 2/13/95 [DPS].  
Ways & Means: 2/21/95, 3/3/95 [DP2S].

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### SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

**Majority Report:** That Substitute Senate Bill No. 5280 be substituted therefor, and the substitute bill do pass.

Signed by Senators Pelz, Chair; Heavey, Vice Chair; Deccio, Franklin, Hale, Newhouse and Palmer.

**Staff:** Traci Ratzliff (786-7452)

**Background:** Sales and use taxes are imposed on the labor and materials used on construction projects in this state.

**Summary of Substitute Bill:** A sales and use tax deferral program for the labor and materials associated with the construction of a new thoroughbred horse racing facility in Western Washington is established. An application for deferral of taxes must be made to the Department of Revenue (DOR). DOR then issues a tax deferral certificate to the recipient. Taxes are deferred for ten years from the date the facility is operationally complete. A five-year repayment plan is established.

**Substitute Bill Compared to Original Bill:** The original bill was not considered.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This bill will help to assure that a new race track is constructed which will lead to the resurrection of the horse racing industry in this state.

**Testimony Against:** None.

**Testified:** PRO: Ron Crockett, Jim Johnston, Northwest Racing Associates; Ralph Vacca, Washington Thoroughbred Breeders Association; Alan Darr, International Operating Engineers, Washington State Building and Construction Trades; Marlyta Deck, Washington State Fairs Association.

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## SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Second Substitute Senate Bill No. 5280 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Bauer, Cantu, Drew, Finkbeiner, Fraser, Gaspard, Hargrove, Hochstatter, Johnson, Long, McDonald, Pelz, Roach, Sheldon, Snyder, Spanel, Strannigan, Sutherland, West and Winsley.

**Staff:** Terry Wilson (786-7715)

**Second Substitute Bill Compared to Substitute Bill:** The deferral period is decreased to three years.

**Testimony For:** There is no major race track in the state since Longacres closed. The horse-racing industry is in serious decline in the state. Horses and trainers have been leaving the state. The industry had generated 15,000 jobs and added \$400 million in revenues to the economy. Longacres itself added \$9.7 million in tax revenues a year to the state. The state fair fund revenues are down by 40 percent since the closure.

**Testimony Against:** None.

**Testified:** Carl Baze, HBPA (pro); Joe LaDuca, WTBA (pro); Les Merritt, owner/trainer (pro); Marlyta Deck, WA State Fairs Assn. (pro); Ron Crockett, Northwest Racing (pro); Jim Johnston, Lane Powell (pro).